

110TH CONGRESS  
2D SESSION

# H. R. 6987

To amend the Sarbanes-Oxley Act of 2002 to require officers to repay bonus amounts received during a year in which their company is subject to a taxpayer bailout, as well as the two previous years.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2008

Mr. FEENEY (for himself, Mr. ROSKAM, and Mr. GARRETT of New Jersey) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Sarbanes-Oxley Act of 2002 to require officers to repay bonus amounts received during a year in which their company is subject to a taxpayer bailout, as well as the two previous years.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer Bailout Pro-  
5 tection Act of 2008”.

1 **SEC. 2. REPAYMENT OF BONUS IN CASE OF TAXPAYER**  
2 **BAILOUT.**

3 (a) IN GENERAL.—Section 304 of the Sarbanes-  
4 Oxley Act of 2002 (15 U.S.C. 7243) is amended by adding  
5 at the end the following new subsection:

6 “(c) REPAYMENT OF BONUS IN CASE OF TAXPAYER  
7 BAILOUT.—

8 “(1) IN GENERAL.—An officer of an issuer  
9 shall pay to the Department of the Treasury any  
10 amounts received by such officer during a year as a  
11 bonus or other incentive-based or equity-based com-  
12 pensation from the issuer during—

13 “(A) a year in which the issuer is subject  
14 to a taxpayer bailout; and

15 “(B) the two years prior to a year in which  
16 the issuer is subject to a taxpayer bailout.

17 “(2) TAXPAYER BAILOUT DEFINED.—For pur-  
18 poses of this subsection, and with respect to an  
19 issuer, the term ‘taxpayer bailout’ means—

20 “(A) the placement of the issuer under  
21 conservatorship, receivership, or other assump-  
22 tion of the management, governance, and con-  
23 trol of the issuer by the Department of the  
24 Treasury or the Board of Governors of the Fed-  
25 eral Reserve; or

1           “(B) an emergency loan of public funds  
2           made to the issuer by the Department of the  
3           Treasury or the Board of Governors of the Fed-  
4           eral Reserve, if the Chairman of the Board of  
5           Governors of the Federal Reserve determines  
6           that such a loan is necessary to prevent the im-  
7           minent failure of the issuer.”.

8           (b) EFFECTIVE DATE.—The amendment made by  
9           this section shall take effect with respect to bonuses and  
10          other incentive-based or equity-based compensation re-  
11          ceived by an officer after the date of the enactment of  
12          this Act.

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